



STATE OF ARIZONA
Department of Health Services
NOTICE OF REQUEST FOR PROPOSAL

**ARIZONA DEPARTMENT
OF HEALTH SERVICES**
1740 West Adams Street
Phoenix, Arizona 85007
(602) 542-1040
(602) 542-1741 Fax

SOLICITATION NUMBER:

HP141009

SOLICITATION DUE DATE/TIME:

July 20, 2010 at 3:00 p.m. local time

SUBMITTAL LOCATION:

**Arizona Department of Health Services
Office of Procurement
1740 West Adams Street, Room 303
Phoenix, Arizona 85007**

DESCRIPTION:

Housekeeping Services for the Arizona State Hospital

PRE-OFFER CONFERENCE:

**Arizona State Hospital
2500 E. Van Buren St.
Phoenix, AZ 85008
Entrance located at 501 N.
24th Street
Conference Room A, Hunt
Building**

June 29, 2010

9:00 a.m.

Date

Time

Location

In accordance with A.R.S. § 41-2534, competitive sealed proposals for the services specified will be received by the Arizona Department of Health Services (ADHS) at the above specified location, until the time and date cited. Offers received by the correct time and date will be opened and the name of each Offeror will be publicly read. To obtain a copy or review the solicitation, go to www.azdhs.gov and click on the Quick Links Procurement site. Please check periodically for any updates to the above solicitation. It is the responsibility of the supplier/offeror to routinely check the ADHS web site for Solicitation Amendments.

Offers must be in the actual possession of the ADHS on or prior to the time and date, and at the location indicated above. Late Offers will not be considered.

Offers must be submitted in a sealed envelope or package with the solicitation number and the Offeror's name and address clearly indicated on the envelope or package. All Offers must be completed in ink or typewritten. Additional instructions for preparing an Offer are included in this solicitation.

With seventy-two (72) hours prior notice, persons with disabilities may request special accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Such requests are to be addressed to the Solicitation contact person named below.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION

Solicitation Contact Person:

Tracy Chisler

Arizona Department of Health Services

(602) 542-1044

E-mail: chislet@azdhs.gov

<p style="text-align: center;">UNIFORM INSTRUCTIONS TO OFFERORS SOLICITATION NO: HP141009</p>

A. Definition of Terms As used in these Instructions, the terms listed below are defined as follows:

1. *"Attachment"* means any item the Solicitation requires an Offeror to submit as part of the Offer.
2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
4. *"Contractor"* means any person who has a Contract with the State.
5. *"Days"* means calendar days unless otherwise specified.
6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. *"Offer"* means Offer, proposal or quotation.
8. *"Offeror"* means a vendor who responds to a Solicitation.
9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
10. *"Solicitation"* means an Invitation for Bid ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
11. *"Solicitation Amendment"* means a written document that is signed by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
12. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
13. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

B. Inquiries

1. **Duty to Examine.** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
2. **Solicitation Contact Person.** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
3. **Submission of Inquiries.** The Procurement Officer or the person identified in the Solicitation as the contact for inquiries except at the Pre-Offer Conference, require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.

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4. **Timeliness.** Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
5. **No Right to Rely on Verbal Responses.** An Offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
6. **Solicitation Amendments.** The Solicitation shall only be modified by a Solicitation Amendment.
7. **Pre-Offer Conference.** If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
8. **Persons With Disabilities.** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

C. Offer Preparation

1. **Forms: No Facsimile, Telegraphic or Electronic Mail Offers.** An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms, unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for Offers.
2. **Typed or Ink; Corrections.** The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
3. **Evidence of Intent to be Bound.** The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
4. **Exceptions to Terms and Conditions.**
 - 4.1 All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - 4.2 **Invitation for Offers.** An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - 4.3 **Request for Proposals.** All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An Offer that takes exception to any material requirement of the solicitation may be rejected.
5. **Subcontracts.** Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
6. **Cost of Offer Preparation.** The State will not reimburse any Offeror the cost of responding to a Solicitation.

UNIFORM INSTRUCTIONS TO OFFERORS

SOLICITATION NO: HP141009

7. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.
8. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
9. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
10. Employee Identification. Offeror agrees to provide an employee identification number or social security number to the ADHS for the purposes of reporting to appropriate taxing authorities, monies paid by the ADHS under this contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
11. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing Offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
12. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
13. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
 - 13.1 Special Terms and Conditions;
 - 13.2 Uniform Terms and Conditions;
 - 13.3 Statement or Scope of Work;
 - 13.4 Specifications;
 - 13.5 Attachments;
 - 13.6 Exhibits;
 - 13.7 Special Instructions to Offerors;
 - 13.8 Uniform Instructions to Offerors.
 - 13.9 Other documents referenced or included in the Solicitation.
14. Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

D. Submission of Offer

1. Sealed Envelope or Package. Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should

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be clearly identified with name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.

2. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law
3. Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.
4. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 - 4.1 The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - 4.2 The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

E. Evaluation

1. Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
2. Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the Offer for the purposes of evaluating that price.
3. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
4. Disqualification. An Offeror (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its Offer rejected.
5. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.
6. Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
 - 6.1 Waive any minor informality;
 - 6.2 Reject any and all Offers or portions thereof; or
 - 6.3 Cancel the Solicitation.

F. Award

1. Number or Types of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.

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2. **Contract Inception** An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
3. **Effective Date.** The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

G. Protests

A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

1. The name, address and telephone number of the protester;
2. The signature of the protester or its representative;
3. Identification of the purchasing agency and the Solicitation or Contract number;
4. A detailed statement of the legal and factual grounds of the protest including copies of relevant documents;
and
5. The form of relief requested.

H. Comments Welcome

The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007

SPECIAL INSTRUCTIONS TO OFFERORS

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A. Pre-Offer Conference:

Prospective Offerors are invited to attend a Pre-Offer Conference. The date, time and location of this conference is indicated on the solicitation cover sheet. The purpose of this conference will be to clarify the contents of this request for proposals in order to prevent any misunderstanding of the ADHS's position. Any doubt as to the requirements of this Request for Proposals (RFP) or any apparent omission or discrepancy should be presented to the ADHS at this conference. The ADHS will then determine the appropriate action necessary, if any, and may issue a written amendment to the request for proposals. Oral statements or instructions shall not constitute an amendment to this request for proposals.

Conference date: **June 29, 2010**
Conference time: 9:00 A.M. ~ 2:00 P.M.
Conference location: Arizona State Hospital, 2500 East Van Buren Street, Phoenix, AZ 85008, (Enter at 501 N. 24th Street) Conference Room A in the Hunt Building.

9:00 A.M. ~ 10:00 A.M. Introductions, Review RFP Specifications, Questions and Answers
10:00 A.M. ~ 12:00 P.M. Housekeeping Tour
12:00 P.M. ~ 1:00 P.M. Lunch On Own
1:00 P.M. ~ 2:00 P.M. Question and Answer Period

B. Proposal Requirements:

One (1) original and five (5) copies of each proposal shall be submitted in the following format. The responses shall be typed using a 12-point font and single-spaced. The original copy of the proposal should be clearly labeled "ORIGINAL", and all copies shall clearly state "COPY". Each proposal shall include tabs for each response section. The material should be in sequence and related to the RFP. The original, ink-signed proposal shall be provided in a 1 inch, 3 ring binder labeled with the Offeror's name and project title. The ADHS will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal. The proposal shall include at least the following information:

The Proposal shall be organized in the following order:

1. **Table of Contents:** The Offeror shall provide page numbers for each section of the proposal.
2. **Offer and Acceptance** signed by authorized person
3. **Signed Solicitation Amendments**, if applicable
4. **Experience and Expertise:**
 - 4.1 Summary. A summary of the offeror's experience and expertise regarding the services offered. Summary shall not exceed five (5) pages, including, but not limited to, company history, number of years in business, types of services provided, number of full- and part-time employees, number and type of clients for the last two years.
 - 4.2 Background Information. Reports prepared for clients and information regarding past or current projects shall be submitted. Background information shall relate to the Scope of Work.
 - 4.3 Resumes. Resumes of key persons responsible for the delivery of services being offered. If any part of the offerors work on any contract awarded pursuant to this RFP is to be performed by subcontractors or consultants, the offeror shall identify such parties and describe their functions, as well as the contractual agreements with said parties.

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4.4 References. Offeror shall submit names and telephone numbers of prior or current customers who have received similar services from the offeror in a similar sized Hospital environment where compliance of all rules, regulations, processes and procedures as defined by The Joint Commission (TJC), Centers for Medicare and Medicaid Services (CMS), State Assurance and Licensure, Office of Behavioral Health, Centers for Disease Control (CDC), Environmental Protection Agency (EPA), Food and Drug Administration (FDA), Occupational Safety and Health Administration (OSHA), County, Hospital Policies and Procedures and HIPAA regulations were required. The references shall include dates and descriptions of services provided. Offeror shall provide three (3) references including past similar contracts that support your company's abilities to provide the proposed services. Use the format on Attachment 1. The ADHS personnel shall not be provided as a reference. If possible, at least one (1) reference should be located in Arizona and/or the Phoenix area.

4.5 Additional Information.

4.5.1 Offeror may provide additional information regarding skills, training, unique situations encountered related to their professional experiences, and a description of the process used to resolve any conflicts or problems.

4.5.2 The Offeror shall submit examples of prior work activities, similar to those listed in the RFP, provided to Hospitals of similar size or service or other medical facilities within the last three (3) years.

5. **Method of Approach/Operational Plan:**

5.1 The Offeror shall prepare and submit a **written Operational Plan** describing the offeror's approach methodology to provide the services as described in the Scope of Work, as well as all requirements stated in the Special Terms and Conditions

5.2 General Questions. Submit the following documentation with your response. For additional information to assist in the response, refer to the Special Terms and Conditions.

5.2.1 Address all of the personnel requirements. Provide a detailed job description for each position that will be assigned to work at the Hospital under the Proposal, including the specific duties they will perform and the level of education and experience required.

5.2.2 Describe the Contractor's employee recruitment and retention plan. Explain how this plan positively impacts key and essential employee turnover.

5.2.3 Explain how Contractor will provide continuous service at all times.

5.2.4 Describe the Contractor termination and exit interview process.

5.2.5 Explain how Contractor measures employee productivity and the methodology used to determine if staffing levels need to be adjusted.

5.2.6 Explain and submit an example of how the Contractor plans to provide self-inspection and quality control processes to ensure timely and flawless project completion.

5.2.7 Submit a copy of the Contractor training program(s) curriculum. Describe how the training is delivered and samples of current training materials being used. At contract award, provide your ongoing training schedule. Explain how the training meets compliance with The Joint Commission (TJC), Centers for Medicaid and Medicare Services (CMS), State Assurance and Licensure, Office of Behavioral Health, Center for Disease Control and Prevention (CDC), Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), Maricopa County Health Department, Hospital Policies and Procedures and HIPAA regulations, rules, processes and procedures that pertain to the service provided: housekeeping operations.

5.2.8 Explain how the Contractor will fulfill the requirement of attending required Hospital meetings.

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- 5.2.9 Explain in detail the level of empowerment of onsite staff to resolve issues when Contractor management cannot be reached.
- 5.2.10 Describe how the Contractor plans to provide a secure working environment.
- 5.2.11 Submit Contractor Policies and Procedures Manual sections that pertain to the services that are to be provided with the Proposal.
- 5.2.12 Describe the Contractor plan to use outside support services, if required.
- 5.2.13 Describe the Contractor plan to seek competition when securing estimates for special purchases/projects.
- 5.2.14 Explain how the Contractor shall fulfill the requirement of completing Hospital incident reports following Hospital policy.
- 5.2.15 Explain how the Contractor will coordinate and review the performance of other vendors under Hospital contract.
- 5.2.16 Provide the Contractor's hazardous material storage plan.
- 5.2.17 Describe how the Contractor shall comply with the Hospital's drug- and tobacco-free work environment.
- 5.3 **HOUSEKEEPING SERVICE MANAGEMENT:** Submit the following documentation with your response. For additional information refer to the Scope of Work for this service, Paragraph C, Project Operational Requirements.
 - 5.3.1 Explain how the Contractor plans to coordinate linen service with another Contractor to include restocking units with clean linen and removing soiled linen.
 - 5.3.2 Describe how the Contractor shall provide mall cleaning, materials and supplies.
 - 5.3.3 Explain how the Contractor plans to provide the required environmentally friendly equipment necessary to perform the services.
 - 5.3.4 Explain how the Contractor will supply material safety data reporting.
 - 5.3.5 Describe the Contractor plan to provide office cleaning.
 - 5.3.6 Explain the Contractor plan to clean patient living areas and dining areas including Corner and J Café.
 - 5.3.7 Describe the Contractor plan to provide cleaning for the ACPTC.
 - 5.3.8 Describe how the Contractor plans to provide cleaning for non-clinical areas of the Hospital.
 - 5.3.9 Explain the Contractor window cleaning plan and submit a schedule.
 - 5.3.10 Explain how the Contractor will provide carpet-cleaning service and submit a schedule.
 - 5.3.11 Explain how the Contractor will complete other necessary cleaning and maintenance, such as floor stripping, waxing, buffing, wall washing, upholstery, drapery and blind cleaning in all offices.
 - 5.3.12 Explain how the Contractor plans to handle special cleaning requests, including, but not limited to, disrupting hospital operations.

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- 5.3.13 Explain how the Contractor will handle issues of staff sensitivity to odors and chemicals during floor and carpet cleaning.

6. Resource Capacity and Effectiveness:

The Offeror shall provide a description of staff resources available to provide the service for selected categories as described in Special Terms and Conditions, including, but not limited to, number of employees, years of experience, certification, and specialized training or education. The Offeror shall provide documentation of fiscal soundness and financial ability to handle this contract.

7. Completed Price Sheet (Cost)

8. Other Attachments (resumes, job descriptions, background information, etc)

C. Proposal Opening:

Proposals shall be opened publicly at the time and place designated on the cover page of this document. The name of each Offeror shall be read publicly and recorded. Prices will NOT be read. Proposals will not be subject to public inspection until after contract award.

D. Evaluation Criteria:

In accordance with the A.R.S. § 41-2534, Competitive Sealed Proposals, awards shall be made to the responsible Offeror(s) whose proposal(s) is(are) determined in writing to be the most advantageous to the ADHS based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.

1. Method of Approach/Operational Plan, including current and prior examples, as requested;
2. Experience and Expertise;
3. Resource capacity and Effectiveness;
4. Cost

E. Discussion:

In accordance with A.R.S. §41-2534, after the initial receipt of proposals, the ADHS reserves the option to conduct discussions with those Offerors who submit proposals determined by the ADHS to be reasonably susceptible of being selected for award regarding the contract and the relative methods of approach for furnishing the required services.

F. Confidential Information:

1. If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a statement advising the procurement officer of this fact and explaining the reasons for confidentiality shall accompany the submission, and the information shall be so identified wherever it appears. The person shall stamp or specifically identify all information the person believes remains confidential.
2. The information identified by the person as confidential shall not be disclosed until the Director makes a written determination.
3. The Director shall review the statement and information and shall determine in writing whether the information shall be withheld.
4. If the Director determines to disclose the information, the Director shall inform the Offeror in writing of such determination.

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G. Inclusive Offerors:

Offerors are encouraged to make every effort to utilize subcontractors that are small, women- and/or minority-owned business enterprises. Offerors who are committing a portion of their work to such subcontractors shall provide the name of the subcontractor, which of the following categories apply: small, women- and/or minority-owned business, the specific services or work to be performed, the percentage of work or services to be provided by the subcontractor, and how this effort will be administered and managed, including reporting requirements.

H. Offshore Performance of Work Prohibited:

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the scope of work, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the proposal.

I. Compliance With A.R.S. §41-4401:

By submission of the offer, the Offeror warrants that the Offeror and all proposed subcontractors are and shall remain in compliance with all federal, state and local immigration laws and regulations relating to the immigration status of their employees. The State may, at its sole discretion require evidence of compliance. The Offeror shall have five (5) days from receipt of the request to supply adequate information. Failure to comply with this instruction or failure to supply requested information within the timeframe specified shall result in the offer not being considered for contract award.

J. Suspension or Debarment:

The State may, by written Notice to the Contractor, immediately terminate any contract awarded under this solicitation if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including, but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a Contractor shall attest that the Contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the Contractor shall immediately notify the state.

K. Written Questions:

All questions regarding this solicitation shall be submitted in writing no later than ten (10) calendar days prior to the RFP due date to:

Arizona Department of Health Services
Tracy Chisler, Procurement Specialist
1740 W Adams, Room 303
Phoenix, AZ 85007
Email Address: chislet@azdhs.gov

<p style="text-align: center;">UNIFORM TERMS AND CONDITIONS SOLICITATION NO: HP141009</p>

A. Definition of Terms. As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
4. *"Contractor"* means any person who has a Contract with the State.
5. *"Days"* means calendar days unless otherwise specified.
6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
8. *"Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
10. *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
11. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
12. *"State"* means the State of Arizona and ADHS or Agency of the State that executes the Contract.
13. *"State Fiscal Year"* means the period beginning with July 1 and ending June 30,

B. Contract Interpretation

1. **Arizona Law.** The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
2. **Implied Contract Terms.** Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
3. **Contract Order of Precedence.** In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 3.1 Special Terms and Conditions;
 - 3.2 Uniform Terms and Conditions;
 - 3.3 Statement or Scope of Work;

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- 3.4 Specifications;
 - 3.5 Attachments;
 - 3.6 Exhibits;
 - 3.7 Documents referenced or included in the Solicitation.
- 4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
 - 5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
 - 6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
 - 7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

C. Contract Administration and Operation.

- 1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

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7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, ADHS, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, ADHS, division, board or commission of the State of Arizona requesting the issuance of this contract.

D. Costs and Payments

1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
3. Applicable Taxes.
 - 3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
 - 3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
 - 3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
 - 3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
 - 5.1 Accept a decrease in price offered by the Contractor;
 - 5.2 Cancel the Contract; or

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5.3 Cancel the Contract and re-solicit the requirements.

E. Contract Changes

1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

F. Risk and Liability

1. Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
2. Indemnification
 - 2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' Departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.
 - 2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers "
3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
4. Force Majeure
 - 4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood, lockouts; injunctions-intervention-acts; or failures or refusals to act by government.

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authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

4.2 Force Majeure shall not include the following occurrences:

4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits

4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

G. Warranties

1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

2.1 Of a quality to pass without objection in the trade under the Contract description;

2.2 Fit for the intended purposes for which the materials are used;

2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

2.4 Adequately contained, packaged and marked as the Contract may require; and

2.5 Conform to the written promises or affirmations of fact made by the Contractor.

3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

5. Year 2000.

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- 5.1 Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
- 5.2 Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
6. Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
7. Survival of Rights and Obligations after Contract Expiration or Termination.
 - 7.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
 - 7.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

H. State's Contractual Remedies

- 1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
2. Stop Work Order.
 - 2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
 - 2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable

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adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

I. Contract Termination

1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was Offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity Offered by the Contractor.
3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an Offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
5. Termination for Default.
 - 5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

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- 5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 6. Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice

J. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A R S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

K. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A R.S. § 12-1518, except as may be required by other applicable statutes.

L. Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.

SPECIAL TERMS AND CONDITIONS

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A. Purpose

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 Et Seq., the State of Arizona, Department of Health Services (ADHS) intends to establish a contract for the materials or services as listed herein

B. Term of Contract (3 Years)

The term of any resultant contract shall commence on September 30, 2010 and shall continue for a period of three (3) years thereafter, unless terminated, canceled or extended as otherwise provided herein

C. Contract Extensions 5 Year Maximum

The contract term is for a three (3) year period subject to additional successive periods of twelve (12) months per extension with a maximum aggregate including all extensions not to exceed five (5) years

D. Contract Type

☒ Fixed Price

E. Licenses

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the contractor.

F. Key Personnel

It is essential that the Contractor provide adequate experienced key and essential personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must agree to assign specific individuals to the key positions. "Key Personnel" is defined as directors, managers and supervisors that shall be responsible for the complete delivery of services, schedule, supervision of staff and preparation and delivery of reports. "Essential personnel" is defined as the staff required to complete the assigned task. All services provided to the Hospital shall be in compliance with all rules, regulations, processes and procedures as defined by TJC, CMS, State Assurance and Licensure, Office of Behavioral Health, CDC, EPA, OSHA, Maricopa County, City of Phoenix, Hospital Policies and Procedures and HIPAA regulations. All employees shall be legal residents of the United States and shall provide proof to the Contractor prior to commencing work at the Hospital.

At contract award, Contractor shall submit an organizational chart and staffing plan, including an emergency contingency plan, for the company. The plan shall include, but not be limited to, the listing of individuals and/or positions which shall be working at the Hospital, the number of full-time equivalent (FTE's) staff required for each position to complete the stated services for Housekeeping, the work area, and the number of hours each shall work daily. The organizational chart and plan shall be updated and submitted to the Hospital Assistant Chief Operating Officer (ACOO) for approval as changes occur in staffing levels or at a minimum annually.

For supervisory and management positions, Contractor shall submit the name, title, and resume of the employee's education and work experience pertaining to the specific services they will be providing according to the Proposal. Within ten (10) days of contract award, the Contractor shall provide the telephone number(s) and e-mail addresses of all key personnel who will be working at the Hospital, including the scheduling and supervising staff, and the staffing schedule.

Upon request from the Hospital, the Regional Vice President, equivalent position, or more senior management shall visit the Hospital to observe operations and meet with Hospital management.

Contractor's key personnel, and additional personnel as deemed necessary by the Hospital, shall be able to read, write and speak the English language so as to be able to communicate effectively with Hospital staff and patients. There shall be at least one (1) key employee on each shift on site who shall meet this requirement.

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All Contractor employees shall demonstrate proficiency in the required Hospital New Employee training program or a compatible contractor training program approved by the Hospital prior to beginning any work at the Hospital. Competency shall be demonstrated by completing a test of basic competency and submitting the results to training and education.

All Contractor employees shall have current TB test and immunizations by the end of the first day of work for the Contractor. Testing results shall be provided to the Hospital Employee Health Nurse within two weeks of the start of employment.

The Hospital reserves the right to approve any personnel to be hired and retained by the Contractor. The Hospital shall have the right to be involved in the interview and selection process of Contractor employees that shall work at the Hospital.

The Contractor agrees that once assigned to work under the Contract, key personnel shall not be removed or replaced without written notice to the Hospital ACOO.

G. Continuous Service

1. The Contractor shall plan to provide continuous service, with no interruption, when a key or essential person is not available for work under the Contract. Reasons for not working includes, but shall not be limited to, termination, reassignment, training, and other work related reasons, such as vacation, illness or family leave. The Contractor plan shall include the minimum number of staff required to provide the service and shall identify cross utilization based on skills, experience and certification. At Contract award, Contractor shall submit a copy of its plan for continuous service.
2. The Contractor shall immediately notify the ACOO in writing, and shall, subject to the concurrence of the ACOO, hire or replace such personnel with personnel of substantially equal ability and qualifications within a maximum of fourteen (14) calendar days from the date of notification to ensure seamless service. If a position is sub-contracted until a full-time employee is hired and trained, this shall not result in additional cost to the Hospital.

H. Employee Termination Process

The Contractor is required to have in place a termination/exit interview process, including, but not limited to, the return of Hospital keys, access card, or other Hospital supplies or equipment. Upon Contract award, the Contractor shall submit a copy of their plan and revised copies if the plan changes. The plan shall meet Hospital policy.

I. Employee Productivity

The Contractor is required to have a plan to measure employee productivity and the methodology to determine if staffing levels need to be revised to meet the Contract requirements and the needs of the Hospital. Upon Contract award, the Contractor shall submit a copy of their plan and revised copies if the plan changes.

J. Self Inspection and Quality Control

The Contractor is required to have a plan for self-inspection and quality control in compliance with regulatory standards for all assigned tasks. The Contractor shall be able to demonstrate that requested work has been completed in a timely and quality conscious manner. Upon Contract award, the Contractor shall submit a copy of their plan and revised copies if the plan changes.

K. Contractor Employee Training Programs

The Contractor is required to have an employee-training program that assists employees in improving their knowledge concerning the specifics of their job and providing customer service that meets or exceeds the Hospital's expectations, including new employee orientation. All key and essential personnel shall have established competencies and submit proof to the Hospital yearly.

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L. Price Adjustment

Contractor prices accepted and subsequently awarded by a Contract shall remain in effect for a minimum of one (1) year. The Contractor may request a price adjustment, but the State will not review or approve an increase until the Contract has been in effect for one (1) year. The ADHS Procurement Office will review any requested rate increase to determine whether such request is reasonable in relation to increased supplier or material costs. Contractor shall provide written justification for any price adjustment requested, including information contained in the Consumer Price Index (CPI) or similar official cost analysis to support any requested price increase. Only the appropriate geographical local CPI indicator applicable to the service provided will be accepted as justification. Requests for labor increases shall not exceed the average Bureau of Labor Statistics annual "real hourly earnings" increase for production and nonsupervisory workers. Union increases exceeding these percentage increases may not be granted. Any price increase adjustment, if approved, will be effective upon execution of a written Contract amendment. Likewise, the Contractor shall offer the State a price adjustment reduction concurrent with reduced costs from their suppliers. Price reductions will become effective upon execution of a Contract amendment.

M. Non-Exclusive Contract

Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

N. Volume of Work

The ADHS does not guarantee a specific amount of work either for the life of the Contract or on an annual basis.

O. Information Disclosure

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the State or from others in carrying out its functions under the Contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

P. Employees of the Contractor

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of the ADHS or the State. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

Q. Order Process

The award of a contract shall be in accordance with the Arizona Procurement Code. Any attempt to represent any material and/or service not specifically awarded as being under contract with ADHS is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the state inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the Contractor.

R. Contractor Performance Reports

Hospital management shall document Contractor performance, both exemplary and needing improvements where corrective action is needed or desired. Copies of corrective action reports will be forwarded to the ADHS Procurement Office for review and any necessary follow-up. The Procurement Office may contact the Contractor upon receipt of the report and may request corrective action. The Procurement Office shall discuss the Contractor's suggested corrective action plan with the Procurement Specialist for approval of the plan.

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S. Payment Procedures

ADHS accounting will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.

The Contractor shall review and insure that the invoices for services provided show the correct Contractor name prior to sending them to the ADHS Accounting Office for payment.

If the Contractor Name and FEI Number change, the Contractor shall complete an "Assignment and Agreement" form transferring contract rights and responsibilities to the new Contractor. ADHS must indicate consent on the form. A written Contract Amendment shall be signed by both parties and a new W-9 form shall be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

T. Financial Management

For all contracts, the practices, procedures, and standards specified in and required by the Accounting and Auditing Procedures Manual for Arizona Department of Health Services funded programs shall be used by the Contractor in the management of contract funds and by the ADHS when performing a contract audit. Funds collected by the Contractor in the form of fees, donations and/or charges for the delivery of these contract services shall be accounted for in a separate fund.

State Funding. Contractors receiving state funds under this Contract shall comply with the certified Compliance provisions of A.R.S. § 35-181.03.

Federal Funding. Contractors receiving federal funds under this Contract shall comply with the certified finance and compliance audit provision of the Office of Management and Budget (OMB) Circular A-133, if applicable. The federal financial assistance information shall be stated in a Change Order or Purchase Order.

U. Inspection and Acceptance

All services, data and required reports are subject to final inspection, review, evaluation and acceptance by the ADHS. The ADHS may withhold payment for services that are deemed to not meet contract standards.

V. Authorization for Services

Authorization for purchase of services under this contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. ADHS shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist on behalf of ADHS unless a) the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this Contract.

W. Compliance Requirements for A.R.S. § 41-4401, Government Procurement: E-Verify Requirement

1. The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.")
2. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.
3. Failure to comply with a State audit process to randomly verify the employment records of Contractors and subcontractors shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.

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4. The State Agency retains the legal right to inspect the papers of any employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph One (1).

X. Offshore Performance of Work Prohibited

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

Y. Indemnification Clause

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the Contractor or Sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

Z. Insurance Requirements

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

1. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1.1 Commercial General Liability – Occurrence Form

- 1.1.1 Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

1.1.1.1 General Aggregate \$2,000,000

1.1.1.2 Products – Completed Operations Aggregate \$1,000,000

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1.1 1.3 Personal and Advertising Injury	\$1,000,000
1.1 1.4 Blanket Contractual Liability – Written and Oral	\$1,000,000
1.1 1.5 Fire Legal Liability	\$ 50,000
1.1 1.6 Each Occurrence	\$1,000,000

1.1.2 The policy shall be endorsed to include the following additional insured language: ***“The Department of Health Services, the State of Arizona, its Departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.***

1.1.3 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.2 Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

1.2.1 Combined Single Limit (CSL)	\$1,000,000
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1.2.2 The policy shall be endorsed to include the following additional insured language: ***“The Department of Health Services, the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor”.***

1.2.3 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3 Worker's Compensation and Employers' Liability

1.3.1 Workers' Compensation	Statutory
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1.3.2 Employers' Liability

1.3.2.1 Each Accident	\$ 500,000
1.3.2.2 Disease – Each Employee	\$ 500,000
1.3.2.3 Disease – Policy Limit	\$1,000,000

1.3.3 Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

1.3.4 This requirement shall not apply to: Separately, EACH Contractor or subcontractors exempt under A.R.S. 23-901, and when such Contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

1.4 Professional Liability (Errors and Omissions Liability)

1.4.1 Each Claim	\$1,000,000
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1.4.2 Annual Aggregate

\$2,000,000

1.4.3 In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

1.4.4 The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this Contract.

2. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

2.1 The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

2.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

2.3 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

3. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to **The Arizona Department of Health Services, 1740 West Adams, Room, 303, Phoenix, AZ 85007** and shall be sent by certified mail, return receipt requested.

4. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

5. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **The Arizona Department of Health Services, 1740 West Adams, Room 303, Phoenix, AZ 85007**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

6. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

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7. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
8. **EXCEPTIONS:** In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

AA. Health Insurance Portability and Accountability Act of 1996

The Contractor warrants that it is familiar with the requirements of HIPAA and HIPAA's accompanying regulations and will comply with all applicable HIPAA requirements in the course of this contract. Contractor warrants that it will cooperate with the Arizona Department of Health Services (ADHS) in the course of performance of the contract so that both the ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the ADHS Privacy Officer and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the ADHS and Contractor in compliance with HIPAA, including, but not limited to, business associate agreements.

If requested by the ADHS, Contractor agrees to sign the "Arizona Department of Health Services Pledge To Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in HIPAA training offered by the ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ADHS HIPAA Compliance Officer.

BB. Pandemic Contractual Performance

1. The State shall require a written plan that illustrates how the Contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at any time prior or post award of a Contract. At a minimum, the pandemic performance plan shall include:
 - 1.1 Key succession and performance planning if there is a sudden significant decrease in Contractor's workforce;
 - 1.2 Alternative methods to ensure there are products in the supply chain; and
 - 1.3 An up to date list of company contacts and organizational chart.
2. In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this Contract impossible or impracticable, the State shall have the following rights:
 - 2.1 After the official declaration of a pandemic, the State may temporarily void the Contract(s) in whole or specific sections, if the Contractor cannot perform to the standards agreed upon in the initial terms;
 - 2.2 The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director as per A.R.S. 41-2537 of the Arizona Procurement Code; and
 - 2.3 Once the pandemic is officially declared over and/or the Contractor can demonstrate the ability to perform, the State, at its sole discretion, may reinstate the temporarily voided Contract(s).

CC. Attendance at Meetings

1. The Contractor shall be required to attend all scheduled meetings as requested by the Hospital. Meetings may include, but are not limited to, Regulatory Compliance Executive Management Team and Performance

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Improvement Meetings, such as visits by TJC or CMS. Hospital Management reserves the right to request attendance by a Regional Manager, or the equivalent senior manager, at these meetings.

2. Emergency meetings may be called at the discretion of Hospital Management for key Contractor employees without prior notice

DD. Issue Resolution

The Contractor is required to have a plan to handle issues that need to be elevated to Regional or Corporate Management within the company for research and resolution. Upon Contract award, the Contractor shall submit a copy of their plan and revised copies if the plan changes.

EE. Employee Uniforms and Hospital Access

1. The Contractor is required to prepare and submit a detailed plan to provide a secure working environment, including, but not limited to, employee uniforms and identification. Hospital Security shall easily recognize all Contractor employees. Uniforms shall contain the Contractor's company name in a visible position. Upon contract award, the Contractor shall submit a copy of their plan and revised copies if the plan changes.
2. All Contractor employees and subcontractor employees working at the Hospital shall pass background and fingerprinting checks prior to commencing work at the Hospital. The Hospital reserves the right to deny access to any employee.
3. Access Cards shall be issued by the Hospital Security Department to Contractor employees who pass background and fingerprinting checks during Hospital orientation. Cards are non-transferable and shall not be shared or used by anyone other than the designated access card user. Contractor employees shall wear and display their access card at all times while on Hospital property.
4. All Subcontractors are required to sign in with the security control officers upon arrival and departure at the Hospital each day. Subcontractors will be issued a Hospital Visitor badge, which shall be worn and displayed at all times.
5. Lost or stolen cards shall be reported to Hospital Security immediately so the card can be cancelled in the card access system and a new one issued. An Incident Report shall be completed and submitted to Hospital Security. The Contractor shall be liable for the expense of issuing additional cards to employees. The current cost for replacement is ten dollars (\$10) per card.
6. In the event the Contractor or any of its employees loses keys issued for the purpose of providing services, the employee shall notify security immediately and complete a Hospital incident report. The Contractor shall be responsible for any cost incurred for replacement of keys or re-keying of the locks. Keys shall not be duplicated at any time.

FF. Fingerprint and Certification Requirements

Contractor shall comply with the following requirements, if applicable:

1. Contractor, Contractor's employees and Subcontractors shall complete all required fingerprint forms and be fingerprinted by Hospital Security on or before the first day of employment to ensure the safety and welfare of patients, residents, visitors and other personnel.
2. The Contractor shall submit personnel fingerprints with the required processing fee and completed notarized certifications on forms provided by the applicable Department. The Contractor may submit verification of fingerprinting and certification of an employee by the Department of Economic Security, the Department of Corrections or the Arizona Supreme Court to meet this requirement.
3. The Contractor shall ensure and verify that those employees who qualify only for a restricted certification shall be supervised and not have access to any Hospital patients.
4. The Contractor shall ensure that all subcontracts for behavioral health services to patients include a provision

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requiring compliance by the subcontractor with this paragraph of this Contract.

5. The Contractor shall assume the costs of fingerprint certifications and may charge these costs to its fingerprinted personnel.

This Contract may be canceled if the fingerprint certifications or the certification for employment of any employee, including volunteers (whether or not paid) shows that he or she has committed, been convicted of, or is awaiting trial for any offenses(s) listed on the Certification for Employment form in this state or similar offenses in another state or jurisdiction

GG. Business Continuity and Emergency Preparedness:

Contractor shall have a Business Continuity and Disaster Response Plan ("BCDR") in the hospital's format, and participate in the Hospital's emergency preparedness plan. Review the Hospital's Plans at award of the contract and periodically thereafter with the ACOO.

HH. The Joint Commission and CMS:

Comply with all components of TJC, CMS and HACCP related to food service and nutrition. Adhere to all current and revised standards and train staff on those standards. Correct any deficiencies identified by the Hospital, TJC, CMS or Licensure

II. Special Purchases

The Hospital may require the Contractor to make emergency or special purchases. For all purchases greater than nine hundred ninety-nine dollars (\$999), Contractor shall seek as much competition as practicable. All special or emergency purchases shall be pre-approved by the Hospital ACOO. The Hospital reserves the right to make such purchases from any source that is determined to be in the best interest of the State.

JJ. Accident and Incident Reports

1. Per Hospital Policies and Procedures (AdminSpec Admin. 009), any Contractor employee, subcontractor or subcontractor employee who observed, or was involved in any accident or incident, shall complete and submit an Incident Report by the end of the shift when the incident occurred. The ACOO shall provide feedback to the Contractor, if applicable. Failure to comply with the Incident Report Policy and Procedure shall result in a vendor performance report being written by Hospital Management and provided to Procurement for follow up and corrective action.
2. The Contractor shall provide first aid kits and make them available to their employees. If an employee requires immediate medical attention, the Contractor shall contact Hospital Security at extension 333 and follow Hospital policy.

KK. Hospital Contractor Performance

The Contractor shall coordinate with other contractors engaged by the Hospital to perform specific duties. The Contractor shall notify the ACOO in writing, or by completing the Hospital Vendor Performance Report, when a Hospital vendor is not performing services as per the contract requirements. The Hospital shall provide a written report to the Procurement Office for a corrective action plan. The Hospital shall notify the Contractor of the outcome and shall monitor the other Contractor's performance.

LL. Water and Energy Conservation

1. The State of Arizona mandated water usage reduction in 2005. The Hospital's conservation plan is available at the Hospital for review.
2. Energy conservation measures have also been mandated by the state of Arizona. Energy consumption will be reduced by fifteen percent (15%) per square foot of floor area on or before July 1, 2011.
3. The Contractor shall abide by and execute the Hospital's water and energy conservation plan.

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4. The Contractor shall coordinate total Hospital water and energy usage with the Facility Contractor. After contract award the Hospital shall arrange a meeting to determine notification and reporting of usage by each Contractor so as not to exceed the Hospital's plan

MM. Hazardous Materials Storage

At contract award, the Contractor shall submit a plan to store all hazardous materials as defined by the EPA, State and local rules and regulations. The Contractor shall identify the hazardous materials they will be using in the performance of the contracted services. The plan shall be updated periodically at the Hospital's request. The Hospital will provide a central area for disposal of all hazardous materials. Material Safety Data Sheets (MSDS) shall be provided for each hazardous material stored or used at the Hospital. The Hospital reserves the right to review the MSDS information at any time. All chemicals shall be transported in properly labeled containers that will ensure proper safety and protection for patients, residents and Hospital staff.

NN. Vendor Performance Reports

Hospital management shall document vendor performance, both exemplary and needing improvements where corrective action is needed or desired. Copies of corrective action reports will be forwarded to the ADHS Procurement Office for review and any necessary follow-up. The Procurement Office may contact the Contractor upon receipt of the report and may request corrective action. The Procurement Office shall discuss the Contractor's suggested corrective action plan with the ACOO for Hospital approval of the plan.

OO. Customer Satisfaction

1. The Hospital may design and conduct a Customer Satisfaction Survey with patients and staff periodically to determine Contractor customer service satisfaction levels. The Hospital shall distribute the survey to patients or staff at its discretion. Surveys will be returned to the Hospital Chief Quality Officer (CQO) for tabulation and evaluation. The Hospital shall share the results of the survey with the Contractor. Any deficiencies shall be noted and the Contractor shall submit a corrective action plan to the CQO by the required date.
2. The Hospital may design and conduct an annual evaluation with staff periodically to determine Contractor compliance with tasks in the scope of work. The Hospital shall distribute the survey to staff at its discretion. Surveys will be returned to the Hospital Chief Operating Officer (COO) for tabulation and evaluation. The Hospital shall share the results of the survey with the Contractor. Any deficiencies shall be noted and corrections made by the Contractor within 30 days of receipt of the survey results.

PP. Measuring Service Effectiveness

The Contractor shall make all records pertaining to the service(s) being provided available to the ACOO or his/her designate. Contractor shall assist in providing any information necessary to the ACOO to evaluate the effectiveness of the services provided. All financial records, including, but not limited to, payroll records, invoices for supplies, payments for materials, and payments to subcontractors shall be eligible for review. Any and all documents may be audited at any time through the term of the Contract and up to five (5) years after Contract termination within fourteen (14) business days, if requested.

QQ. Office Equipment and Space

The Contractor is responsible to provide any computers, fax machines, printers, copiers or office supplies needed for the provision of services under the Contract. The Contractor may also negotiate to use Hospital owned equipment when such equipment is available. Contractor Hardware and Software shall be compatible to Hospital equipment for the purpose of submitting data, reports or other related communications, including, but not limited to, Windows operating system, PC based, Microsoft Office Software, access to the Internet and E-mail.

For Housekeeping Services, the Hospital provides LAN access for reporting purposes via a Hospital owned computer. Upon contract award the Hospital will train Contractor employees and provide the necessary ID's and passwords to access the software to key personnel. The Hospital shall provide office space as necessary.

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RR. Work Environment

The Contractor shall develop and enforce a drug- and tobacco-free workplace for all staff and employees equal to the current Arizona Department of Health Service policies, a copy of which is available upon request. Upon contract award, the Contractor shall submit a copy of their plan.

SS. State-Owned Vehicles

The State of Arizona Statute(s) prohibits non-state employees from driving state-owned, licensed, registered, gasoline or diesel vehicles. All vehicles utilized by Contractor's employees to provide housekeeping management services for the Hospital shall be purchased, titled and insured in the Contractor's business name and shall be maintained by the Contractor. The Contractor shall provide evidence of such coverage at contract award and annually thereafter. A listing of Contractor vehicles being used to provide these services shall be provided to the ACOO on a monthly basis.

All equipment and vehicles owned and used by the Contractor's employees to perform the services shall be in good working condition and shall conform to required safety standards. All vehicles shall be clearly identified as belonging to the Contractor.

Contractor employees shall obey all posted speed limits on Hospital grounds.

TT. Telephone Calls

The Hospital prohibits non-state employees from using Hospital telephones to make collect, international or long distance calls. The Contractor shall provide all collect, international or long distance telephone resources for their own employees. The Hospital will provide local telephone service.

UU. Hospital Property

The Contractor shall not dispose of any Hospital property, including, but not limited to, office equipment, other equipment or tools, building equipment or furniture without prior approval of the Hospital ACOO. All approved disposal shall follow State of Arizona Department of Administration Policies and Procedures.

VV. Performance Bond

For the duration of the Contract, the Contractor shall furnish Contract Performance security in the form of a Performance Bond (Attachment 2, SPO Form 302) for one hundred (100%) percent of the annual total price to guarantee faithful performance of the Contract. The performance security shall be in the form of a performance bond, certified check or cashier's check. This security shall be in the possession of the Hospital within ten (10) calendar days from receipt of notice of award. If the Contractor fails to execute the security document, as required, the Contractor may be found in default and the contract terminated. In case of default, the State reserves all rights to recover damages as provided by law.

WW. Transition Activities

1. Upon termination of this Contract, if ADHS anticipates a continued need for the Contract Services specified herein and a contract is awarded to a new Contractor, there shall be a transition of services period up to sixty (60) days as determined by the hospital. During this period, the existing Contractor shall work closely with the new Contractor, or Contractors, personnel and/or staff to ensure a smooth and complete transfer of duties and responsibilities;
2. An authorized representative from ADHS shall coordinate all transition activities. A transition plan will be developed in conjunction with the outgoing Contractor to assist the new Contractor, or Contractors, personnel and/or staff to implement the transfer of duties;
3. ADHS reserves the right to determine which projects nearing completion will remain with the current Contractor of record;
4. The Contractor shall return all ADHS equipment, reports, and any other documentation developed during the term of the Contract that ADHS deems necessary to maintain ongoing operations; and

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5. All records, electronic or otherwise, shall be preserved and provided to the Hospital or the new Contractor in a format/medium approved by and within the timeframe established by the Hospital.

XX. Compliance

1. The Contractor shall review and follow all Hospital Policies and Procedures;
2. The Contractor shall comply with all requirements of applicable Standards of the Joint Commission, CMS, and any other federal, state and local regulatory agencies and provide documentation demonstrating compliance;
3. The Contractor shall provide a Plan of Correction, as requested, when deficiencies identified by the Hospital or any external regulator; and
4. The Contractor shall develop Quality Assurance, Quality Control and Performance Improvement Indicators as required

SCOPE OF WORK

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A. BACKGROUND

The Arizona State Hospital (Hospital) is a unit of the Division of Behavioral Health Services (BHS) of the Arizona Department of Health Services (ADHS). It is established and operated under A.R.S. § 36-202 "for the care and treatment of persons with mental disorders and persons with other personality disorders or emotional conditions who will benefit from care and treatment." The Arizona State Hospital is the State's only hospital dedicated to the care of the seriously mentally ill. The Hospital serves to provide evidenced based treatment in a recovery paradigm utilizing a multidisciplinary team approach.

The Hospital's Mission Statement: The Arizona State Hospital provides specialized psychiatric services to support people in achieving mental health recovery in a safe and respectful environment and encompasses all aspects of the patient's daily life, treatment, and environment. The Contract is a key component to ensure that the Mission Statement is fulfilled. The successful Contractor shall demonstrate in its Proposal and contract execution, the same level of caring and attention to detail to the patient's health and comfort that the Hospital staff exhibits on a daily basis.

The Hospital provides treatment and rehabilitative services to the most severely mentally ill persons in the State. This is a court-ordered, civil, and forensic committed treatment center. Individuals must be suffering from a behavioral health illness, which has severely impaired their functioning and ability to live within their family and community. The Hospital's current population is approximately two hundred sixty (260) patients in thirteen (13) separate units divided into three (3) separate areas.

The Arizona State Legislature enacted A.R.S. § 36-3701 in the 1997 legislative session requiring the housing of "sexually violent persons" (SVP) at the Hospital in the Arizona Community Protection and Treatment Center (ACPTC) program.

ACPTC provides for a secure treatment environment for sexually violent persons (residents) who have been determined to have a mental disorder and need to be committed to protect the health and safety of others in the community. The ACPTC's current population is approximately seventy (70) residents in three (3) separate units and may increase to one hundred twenty (120) residents in four (4) separate units.

The Hospital and ACPTC, otherwise known as The Hospital, are located at 2500 East Van Buren Street, Phoenix, Arizona 85008 with the physical entrance to the hospital located at 501 N 24th Street. The Hospital operates twenty-four (24) hours per day, three hundred sixty-five (365) days per year.

B. OBJECTIVE

The Contractor shall provide housekeeping management services as required by the State for all buildings currently being used and maintained by the Hospital and the ACPTC. Contractor shall perform all services in accordance with all rules and regulations as stipulated by the Joint Commission, CMS, State Licensure, Office of Behavioral Health, OSHA, CDC, EPA, Maricopa County, City of Phoenix, Hospital Policies and Procedures, HIPAA and executed contract. Building area contains occupied and unoccupied space as illustrated on the Hospital Master Site Plan, which is available for review. Square footage by building is also available for review. The Price Sheet indicates occupied and unoccupied square footage for the Hospital and ACPTC. The Hospital may make an adjustment, based on the square footage, during the term of the Contract, by negotiating an adjustment to the Price Sheet and issuing change through an Amendment to the Contract. The Contractor is only responsible for occupied space for the day to day cleaning services. Contractor shall provide services to unoccupied areas upon special request by COO.

The buildings shall be maintained in a clean, sanitary and attractive condition in accordance with licensure standards, which are available for review at their website listed under Paragraph F, Reference Documents to provide a healthy and pleasant environment for patients, residents, visitors and staff.

Contractor shall provide housekeeping management, including, but not limited to, restrooms, patient rooms, day rooms, cafeteria dining rooms, offices, lobbies, corridors, elevators, reception rooms, training classrooms, rehabilitation, library, corner café, gift shop, school, conference rooms, hallways, activity rooms, lounges, mall area, non-clinical areas and medication rooms. The Contractor shall ensure that the facility, furnishings and premises are maintained according to all stated rules, regulations, policies and procedures. The Contractor shall furnish all supervision, labor, materials, equipment, tools, chemicals and vehicles necessary to provide the

SCOPE OF WORK

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required services. All equipment, machinery and space used shall be solely for the support of the Hospital and related programs, unless otherwise approved in writing by the ACOO.

C. PROJECT OPERATIONAL REQUIREMENTS (HOUSEKEEPING SERVICE MANAGEMENT)

The Offeror shall be required to perform the following tasks so that all requirements are met to the Hospital's satisfaction

1. Housekeeping Operations Requirements:

- 1.1 Linen Service Coordinate linen service with the Hospital's contractor as scheduled. Receive, coordinate and manage linen service with the other Contractor so as not to disrupt Hospital operations, including, but not limited to, picking up at a designated location (holding area) routinely or as needed when stock runs low, delivering to units, counting and reconciling delivered linens against the delivery sheet, unloading and stacking on shelves. Report discrepancies in the linen count to the Hospital Contract Manager or designee. This service is not provided to ACPTC

1.1.1 Contractor shall remove soiled linen from unit and deliver to designated area for pick up by linen Contractor.

1.1.2 Materials and Supplies Purchase and provide all materials and supplies that shall be required, including, but not limited to, cleaning materials, paper towels, cleaning rags, hand soap, toilet tissue, brooms, mops, dust pans, disposable gloves and plastic receptacle liners for all sized internal and external receptacle containers. Contractor shall use chemicals that are Green Seal certified.

1.1.2.1 Fill all soap dispensers.

- 1.2 Contractor Owned Equipment Purchase and provide all equipment necessary to perform and support the full array of the housekeeping services required. Provide all supplies to operate the equipment and vehicles. Replace lost or damaged equipment so that services to the Hospital are not interrupted. Equipment includes washers and dryers for Contractor cleaning equipment and to wash the On Duty and Guest room linens and other housekeeping items specific to patient/resident units.

All equipment and vehicles owned and used by the Contractor's employees to perform the services shall be in good working condition and shall conform to required safety standards. Contractor shall use environmentally friendly cleaning equipment and tools including HEPA filtered wet and dry vacuums, microfiber mops and other equipment that improves indoor environmental quality.

- 1.3 Material Safety Data Reporting Provide Material Safety Data Sheets for all inventory of chemicals. Maintain a current MSDS Book for all products used by the Contractor to provide housekeeping services/chemical supplies at the Hospital and ACPTC. Store each MSDS Book in the housekeeping closet or designated area. MSDS books shall be available for Hospital review upon request. Update all MSDS books as required so that they are always current.

- 1.4 Office Cleaning/non-patient care areas Provide office cleaning to all non-patient care areas including, but not limited to, the Pharmacy, Facilities Maintenance, Dietary, administrative areas, Hunt Building, chapel restroom and office area or other contracted service offices on the grounds of the Hospital as identified on the square footage document. All office buildings and non patient care areas shall be cleaned a minimum of five (5) days per week. Cleaning these areas includes, but is not limited to, emptying trash receptacles, cleaning tables and counters with disinfectant, vacuuming carpeted areas, washing tile and linoleum floors, dusting (including high dusting), and cleaning and disinfecting bathrooms. Ceiling fans, register vents and blinds shall be dusted at a minimum quarterly.

1.4.1 OD Doctor and family visitor room Contractor shall clean the OD doctor room once per day seven (7) days per week. The family visitation room shall be cleaned upon request, both before and after the family visit. Cleaning these areas includes, but is not limited to, emptying trash receptacles, vacuuming carpeted areas, washing tile and linoleum floors, dusting

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(including high dusting), and cleaning and disinfecting bathrooms. Linens shall be washed and changed on a daily basis. The Hospital provides the linens for the OD room

1.5 Patient Care Areas

- 1.5.1 Patient Living and Dining Areas. Clean Hospital patient living and dining areas. All patient living areas shall be cleaned at a minimum at least once per day seven (7) days per week. Dining areas shall be cleaned a minimum of three (3) times per day after each meal seven (7) days per week. Cleaning these areas includes, but is not limited to, emptying trash receptacles, cleaning tables, chairs and counters with disinfectant, vacuuming carpeted areas, washing tile and linoleum floors, dusting, and cleaning and disinfecting bathrooms.
- 1.5.2 Opening and closing of units. Contractor shall thoroughly clean units prior to the Hospital moving patients into a vacant unit and when a unit is closed after patient removal unless otherwise directed by the ACOO. This includes, but is not limited to, emptying trash receptacles, cleaning tables, chairs and counters with disinfectant, vacuuming carpeted areas, washing tile and linoleum floors, dusting (including high dusting), and cleaning and disinfecting bathrooms. Clean ceiling fans, register vents and blinds. Floors shall be buffed and polished.
- 1.5.3 Other Patient areas (ie: rehabilitation areas, bank, clothing store, corner café and J café, specialty clinic, library, etc). Clean other patient care areas at a minimum of five (5) days per week. Cleaning these areas includes, but is not limited to, emptying trash receptacles, cleaning tables, chairs and counters with disinfectant, vacuuming carpeted areas, washing tile and linoleum floors, dusting (including high dusting), and cleaning and disinfecting bathrooms. Ceiling fans, register vents and blinds shall be dusted at a minimum quarterly. High dusting shall be done quarterly. When occupied, the Psychiatric Services Review Board area and adjacent offices shall be cleaned as above. The Chapel (other than restrooms and office areas) shall be cleaned on a quarterly basis and upon request for special events.

1.6 ACPTC Cleaning

- 1.6.1 Resident Care Areas. ACPTC residents are responsible for maintaining their own living areas, currently defined as, Acacia I and II, Cholla East and Birch Less Restrictive Alternative Program ("LRA"). Contractor is responsible to purchase and provide equipment, supplies (ie: brooms, mops, vacuums, etc) and cleaning solutions for the resident care areas. Thoroughly clean the resident care areas (except resident rooms) bi-annually, including stripping and waxing floors, cleaning and sanitizing bathrooms and high dusting. Dining area shall be thoroughly cleaned and sanitized on a quarterly basis. Square footage of these areas is available for review.
- 1.6.2 ACPTC non-resident care areas. Clean and maintain Acacia, Indigo, Agave, Cholla and Birch Administration areas. Areas shall be cleaned a minimum of five (5) days per week, including, but is not limited to, emptying trash receptacles, cleaning tables and counters with disinfectant, vacuuming carpeted areas, washing tile and linoleum floors, dusting (including high dusting), and cleaning and disinfecting bathrooms. Ceiling fans, register vents and blinds shall be dusted at a minimum quarterly. Square footage is available for review.
- 1.7 Window Cleaning. Contractor shall provide weekly window cleaning of entryways and main entrances to the buildings. Bi-annually, provide cleaning of the interior (including offices) and exterior of all windows at the Hospital.
- 1.8 Pest Control. Report any pest infestations or observations including, but not limited to, ant or termite nests, beehives, black widow spiders, vermin or birds nests immediately to Hospital facility management Contractor to maintain a bug- and vermin-free environment for patients, residents and staff.
- 1.9 Carpet Cleaning. Provide carpet cleaning service to the Hospital. Wall-to-wall shampoo cleaning of all carpeted areas shall be provided at a minimum of six (6) month intervals and more often if needed.

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The cleaning schedule shall not interfere with Hospital and ACPTC operations and direct patient care. Upon contract award, submit an annual rotating schedule of when this service will be performed. Thereafter, provide an annual carpet cleaning schedule to the ACOO for all areas.

- 1.10 Mall Area Cleaning. Power wash the concrete mall area located in the Civil Hospital on a weekly basis so as not to interfere with normal Hospital activity.
- 1.11 Stairwells throughout campus. Pick up trash and debris in the stairwells. Power wash civil campus outdoor stairwells on a weekly basis.
- 1.12 Other Maintenance. Complete other necessary maintenance. Floor stripping, waxing and buffing, wall washing, upholstery and drapery cleaning shall occur at a minimum semi-annually. Coordinate resurfacing of the gymnasium floor upon request. The cleaning schedule shall not interfere with Hospital and ACPTC operations and direct patient care. Upon contract award, submit a rotating schedule of when this service will be performed. Provide an annual cleaning schedule for these services to the ACOO.
- 1.13 Special Needs. Accept requests for special cleaning. Special needs include, but are not limited to, spilled food and infectious fluids. Provide personal protective equipment for Contractor staff and approved OSHA and CDC disinfectants and cleaning agents. Adequate staff shall be on the premises during normal business hours (8:00 a.m. – 5:00 p.m.) to provide special cleaning services as needed. After hours, have sufficient supplies available including buckets, mops, cleaning supplies and rags to clean up spills. These shall be in designated areas accessible for staff on each unit. The hospital nursing staff shall clean spilled blood that is not beyond the capacity of the unit blood spill kit on the patient care units. Housekeeping staff shall sanitize the area after nursing staff have cleaned up the blood spill. The Housekeeping staff shall clean and sanitize blood spill areas on patient care areas that exceed kit capacity or in any area outside the patient care units including ACPTC.
- 1.14 Mattresses. Upon request, Contractor shall pick up non-usable mattresses, take them to the Hospital warehouse and place them in the warehouse dumpster.
- 1.15 Outside Floor Mats. Contractor shall distribute floor mats according to schedule and location. Bi-weekly, pick up mats from designated areas, roll mats and take them to a central site. In between mat pick-ups, mats shall be brushed and swept as needed to prevent dirt and debris buildup.
- 1.16 Bathroom mats and shower curtains. Bathroom mats and shower curtains are provided by the Hospital. Contractor shall remove bathroom mats and shower curtains on a weekly basis. Mats shall be power washed and sanitized weekly and returned to the shower area. Shower curtains shall be washed and replaced weekly. Contractor shall report deteriorated mats or shower curtains to the Unit Coordinator for replacement.
- 1.17 Medical Waste. Contractor shall at a minimum on a weekly basis move filled red hazardous waste bags from unit containers to the infectious waste hold room on the civil campus.
- 1.18 Repairs to Hospital Structures. Contractor is responsible to repair any Hospital structure or equipment damage caused by the Contractor, its employees or Subcontractors. Prepare and submit a Hospital Incident Report to Hospital Security for any and all damage and submit the incident report to the ACOO. The Contractor is responsible to repair and restore the structure or equipment to the original state at the Contractor's expense.
- 1.19 Training and Education conference rooms. Contractor shall set up and take down tables and chairs for large orientation classes, trainings or special meetings in the civil hospital. This excludes office relocation, rearrangement, and moves. Hospital staff will provide at least forty eight (48) hours notice for the set up or take down and provide a floor plan of how the room shall be configured.
- 1.20 Elevators. Contractor shall clean, at a minimum, all elevators each week. This includes sweeping, wiping down elevator walls and mopping.

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D. QUALITY MANAGEMENT AND PERFORMANCE

The Contractor shall:

1. Participate in Hospital Performance Improvement Activities and Joint Commission preparation activities;
2. Develop and submit to the Chief Quality Officer (CQO) for Quality Assurance Performance Improvement (QAPI) Committee as approved by identified Hospital personnel annual performance improvement indicators based on clinical and/or operational areas needing improvement;
3. Monthly performance improvement data submissions shall be provided by the 10th of each month for the previous month to the Performance Improvement Staff in the Quality Risk Management (QRM) Department for review;
4. Conduct quality control and performance improvement monitoring and evaluation activities as approved by the identified Hospital personnel. Reports shall be submitted on a quarterly basis. Corrective actions shall be taken by the Contractor as applicable to remedy any deficiencies noted through monitoring activities;
5. Conduct environmental tours on a monthly basis with members of the Environment of Care Committee;
6. Develop an overall contract performance goal. The performance goal shall be approved by the ACOO and be in compliance with the Joint Commission standard for services provided through contractual agreement; and
7. Participate in Joint Commission Continuous Survey Readiness meetings and provide required reports and data required for a survey or Joint Commission activity upon request.

E. MEETINGS AND COMMITTEES

Contractor administrative key personnel shall be required to attend and participate in Hospital meetings and committees that include, but are not limited to, the following.

1. Environment of Care Committee;
2. CARE Committee,
3. Interdisciplinary Health Services Committee;
4. Continuous Survey Readiness Team upon request;
5. Performance Improvement Meetings upon request; and
6. Patient Safety.

F. REFERENCE DOCUMENTS

The following documents are available for review at the ADHS Procurement Office or via Internet links, as noted:

1. Master Site Plan;
2. Buildings by Name;
3. Square Footage by Area on CD;
4. Hospital and ACPTC Census;
5. Administrative Rules, Section R9-20-214, Article 2;
6. State Owned Equipment Inventory;

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7. Business Continuity and Disaster Emergency Response Plan on CD;
8. Water and Energy Reduction Plan on CD;
9. Hospital Policies and Procedures Manual on CD;
10. Joint Commission Standards – are available for purchase from Joint Commission Resources @ <http://www.jcrinc.com/e-dition/> ;
11. Medicare State Operations Manual: <http://www.cms.hhs.gov/Manuals/IOM/itemdetail.asp>;
12. Hospital Licensing: http://www.azsos.gov/public_services/Title_09/9-10.htm; and
13. Behavioral Health Services Licensure: http://www.azsos.gov/public_services/Title_09/9-20.htm

G. TASKS

Tasks to be completed as required, needed, or requested by the Hospital.

1. Coordinate the linen service with outside Contractor;
2. Provide inventory control of cleaning supplies and equipment;
3. Maintain MSDS Book for Housekeeping;
4. Coordinate cleaning operations, including offices, patient living and dining areas, ACPTC, windows, carpets, floors, walls, upholstery, drapery and blinds;
5. Provide pest notification;
6. Clean mall area;
7. Provide special cleaning;
8. Provide adequately trained staff;
9. Complete and submit reports; and
10. Provide advice for cost containment of housekeeping management and operations; and
11. Coordinate the distribution of floor mats.

H. CONTRACTOR'S INVOICES

Invoices for services performed are due to the Hospital ACOO within thirty (30) days after the end of each month. Each invoice shall be for the full calendar month, for example, June 1st through June 30th. Invoices shall include employee listing by name and position.

I. REPORTS AND DELIVERABLES

The following reports shall be required from the Contractor to fulfill the Contract obligations. Reports shall be delivered to the ACOO on the fifteenth (15th) day following the end of the previous calendar month, unless otherwise noted. Contractor shall work with the ACOO on report design to ensure the format meets the Hospital's requirements for budgeting and contract management purposes. Other reports may be requested by the Hospital.

1. Staffing Plan – Within ten (10) days of contract award and upon request;
2. Organizational Chart – Annually;

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3. Sub-Contractors and their provided service;
4. Employee Listing by Name and Position – this report shall be delivered monthly with each invoice. This report shall include the employee name, department and position;
5. Rotating carpet cleaning schedule annually;
6. Other maintenance rotating schedule floor stripping, waxing, buffing, etc annually;
7. Self Inspection/Results; and
8. Within ten (10) days of contract award, provide the following, and upon request throughout the term of the Contract.
 - 8.1 Telephone numbers and e-mail addresses of key personnel;
 - 8.2 Continuous service plan;
 - 8.3 Exit interview and termination plan;
 - 8.4 Employee productivity plan;
 - 8.5 Employee competencies;
 - 8.6 Issue resolution plan;
 - 8.7 Secure working environment plan;
 - 8.8 Pertinent policies and procedures;
 - 8.9 Outside support services plan;
 - 8.10 Hazardous materials storage plan;
 - 8.11 Safe environment plan;
 - 8.12 Licenses and certifications;
 - 8.13 Certificate of Liability Insurance; and
 - 8.14 Performance Bond.

J. HOSPITAL DELIVERABLES

The Hospital shall provide:

1. Parking;
2. Access cards;
3. Keys where applicable;
4. New employee orientation as needed;
5. Local telephone service;
6. Office space; and
7. LAN access if necessary.

SCOPE OF WORK
SOLICITATION NO: HP141009

K. NOTICES, CORRESPONDENCE AND REPORTS

Notices, correspondence, reports and invoices from the Contractor to ADHS shall be sent to:

Invoices shall be submitted to the Hospital Assistant Chief Operating Officer on a monthly basis within thirty (30) days after the end of each month. Invoices shall be itemized by the service provided, including, but not limited to, all payroll records, contracted rates, and any fees agreed upon at the time the Contract is issued. The payroll information shall be used only to verify the services. The invoices shall be sent to the following address:

Arizona State Hospital
Assistant Chief Operations Officer
2500 East Van Buren Street
Phoenix, Arizona 85008

Invoices shall be paid by ADHS within thirty (30) days following receipt of the invoice. In the case of any dispute regarding part of any invoice, ADHS shall pay the undisputed part according to the payment terms described above.

Notices, Correspondence and Reports from ADHS to the Contractor shall be sent to:
(Contractor to complete)

Contractor _____
Attention: _____
Address _____
Address _____
City, State, ZIP _____
Phone _____
Fax _____
Email _____

Payments from ADHS to the Contractor shall be sent to:
(Contractor to complete if different from above)

Contractor _____
Attention: _____
Address _____
Address _____
City, State, ZIP _____
Phone _____
Fax _____
Email _____

EXHIBIT A
SOLICITATION NO: HP141009

ARIZONA STATE HOSPITAL
OFFICIAL CENSUS
Friday, April 26, 2010

CURRENT CENSUS - 250 PATIENTS

Desert Sage East	19
Desert Sage North	17
Ironwood 1 East	20
Ironwood 1 North	18
Palo Verde East	20
Palo Verde North	15
Community RU	26
Ironwood 2 East	14
Ironwood 2 North	14
Wick-1	17
Wick-2	15
Wick-3	20
Wick-5	35
TOTAL	250
ATU closed	

PRICE SHEET/FEE SCHEDULE
SOLICITATION NO: HP141009

HOUSEKEEPING SERVICE MANAGEMENT
PRICE SHEET

Description	Hospital			ACPTC	
	Frequency	Unit Cost		Frequency	Unit Cost
Administrative Cost <i>"Administrative Cost" is defined as all supervision, indirect costs, overhead, reports, training and profit to maintain the facility.</i>	<u>Daily Rate</u>			<u>Daily Rate</u>	
Square Footage Cost Based on total 554,368 sq. ft. Hospital – 304,796 occupied 149,163 unoccupied subtotal – 453,959 ACPTC – 66,979 occupied - 33,430 unoccupied subtotal - 100,409 <i>"Square Footage Cost" is defined as all materials and labor necessary to maintain the facility</i>	<u>Daily Rate</u>			<u>Daily Rate</u>	

<p style="text-align: center;">PRICE SHEET/FEE SCHEDULE SOLICITATION NO: HP141009</p>

Please check as many as applicable:

_____ I certify that my company is a Woman-Owned Business Enterprise (WBE)

A WBE is defined as an enterprise where a woman owns at least fifty-one percent (51%) of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.

_____ I certify that my company is a Minority-Owned Business Enterprise (MBE)

An MBE is defined as an enterprise where an ethnic minority owns at least fifty-one percent (51%) of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.



Offer and Acceptance

ARIZONA DEPARTMENT OF HEALTH SERVICES

SOLICITATION NO: HP141009

PAGE
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OFFEROR:

OF
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1740 West Adams Street

Phoenix, Arizona 85007
(602) 542-1040
(602) 542-1741 Fax

OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

Arizona Transaction (Sales) Privilege Tax License No:

Federal Employer Identification No:

Phone:

Fax:

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City

State

Zip

Title

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 75.5 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS/ IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.
5. In accordance with A.R.S. §§35-397, the offeror hereby certifies that the Offeror does not have scrutinized business operations in Iran.
6. In accordance with A.R.S. §§35-397, the offeror hereby certifies that the Offeror does not have scrutinized business operations in Sudan.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No. HP141009-. The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contact release document or written notice to proceed.

State of Arizona
Awarded this

day of

2010

Procurement Officer

ATTACHMENT 1 SOLICITATION NO: HP141009

OFFEROR'S REFERENCES

(Three references are required)

Do not use references from any past or current contracts with ADHS Do not use any current ADHS employee as a reference.

Contract Title:

Contract Term/Dates of Work: (Month/Date/Year) through (Month/Date/Year) Geographic Area Served:

Target Population Served:

Reference Company:

Telephone:

Address:

City/State

ATTACHMENT 2
SOLICITATION NO: HP141009

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT,

(hereinafter called Principal), as Principal, and ,
a corporation organized and existing under the laws of the State Of, with its principal office in the City of
, (hereinafter called the Surety), as Surety, are held and firmly bound unto the State of Arizona, (hereinafter called
the Obligee) in the Amount of _____ (Dollars) (\$ _____), for the
payment whereof, the said Principal and the Surety bind themselves, and their heirs, administrators, executors,
successors and assigns, jointly and severally, firmly by these presents (hereinafter called Principal), as Principal,
and, a corporation organized and existing under the laws of the State Of, with its principal office in the City of
, (hereinafter called the Surety), as Surety, are held and firmly bound unto the State of Arizona, (hereinafter called
the Obligee) in the Amount of (Dollars) (\$), for the payment whereof, the said Principal and the Surety bind
themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by
these presents

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the _____ day
of _____ 20_____, for the material, service or construction described as
which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length
herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully
perform and fulfill all the undertakings, covenants, terms, conditions and agreements of said contract during the
original term of said contract and any extension thereof, with or without notice to the Surety and during the life of
any guaranty required under the contract, and shall also perform and fulfill all undertakings, covenants, terms,
conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be
made, notice of which modifications to the Surety being hereby waived; then the above obligations shall be void,
otherwise to remain in full force and effect. The prevailing party in a suit on this bond shall recover as part of his
judgment such reasonable attorney's fees as may be fixed by a judge of the Court

Witness our hands this _____ day of _____ 20

Principal

Seal

BY Surety

Seal

BY

Agency of Record

ATTACHMENT 3
SOLICITATION NO: HP141009

**HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT OF 1996 ("HIPAA")
BUSINESS ASSOCIATE AGREEMENT ("AGREEMENT")**

The Arizona Department of Health Services or an Arizona Department of Health Services' Division, Bureau, Office, or Program and Business Associate hereby enter into this Agreement. The date when this Agreement is effective ("Effective Date") shall be determined according to Sections 164.534, 164.532(d), and 164.532(e) of the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and Part 164, Subparts A and E ("Privacy Standards"). This Agreement supplements any service agreement(s) ("Service Agreement(s)") between ADHS Covered Component and Business Associate relating to the disclosure of Protected Health Information ("PHI"). In the event of conflicting terms or conditions, this Agreement shall supersede the Service Agreement(s).

The ADHS Covered Component and Business Associate intend to comply with the Privacy Standards; the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C ("Security Standards"); HIPAA; and other applicable federal and state laws, in order to protect the privacy of PHI in any form and to safeguard the confidentiality, integrity, and availability of Electronic PHI ("ePHI") related to this Agreement.

- A. **DEFINITIONS.** Capitalized terms not otherwise defined in this Agreement shall have the same meaning as in the Privacy Standards and the Security Standards.
- B. **PERMITTED USES AND DISCLOSURES OF PHI.** Business Associate will Use and disclose PHI only for those purposes necessary to perform functions, activities, or services for, or on behalf of, ADHS Covered Component as specified in the underlying Service Agreement(s) and this Agreement, provided that any Use or Disclosure would not violate: the Privacy Standards, the Security Standards, or HIPAA, if done by ADHS Covered Component; or ADHS Covered Component's policies and procedures for using or disclosing only the Minimum Necessary PHI.
1. **Business Activities of Business Associate.** Business Associate may use PHI for the necessary management and administration of Business Associate, or to carry out the legal responsibilities of Business Associate if:
 - a. The disclosure is Required by Law; or
 - b. Business Associate obtains reasonable assurances from the person receiving the PHI that the person will:
 - (1) Maintain the Confidentiality of the PHI,
 - (2) Use or disclose the PHI only as Required by Law or for the purpose for which the PHI was disclosed to the person, and
 - (3) Notify Business Associate when the person becomes aware that PHI confidentiality has been breached.
 2. **Aggregation of PHI.** Business Associate may aggregate the PHI in its possession with the PHI of other Covered Entities that Business Associate has in its possession through its capacity as a Business Associate of the other Covered Entities, provided that the purpose of the aggregation is to provide ADHS Covered Component with data analyses relating to the Health Care Operations of ADHS Covered Component. Business Associate shall not disclose PHI between or among Covered entities, unless ADHS Covered Component specifically authorizes the disclosure.
 3. **De-Identification of PHI.** Under 45 CFR 164.502(d) (2), de-identified information does not constitute PHI and is not subject to the terms of this Agreement. Business Associate may de-identify any and all PHI, provided:
 - a. The de-identification conforms to the requirements of 45 CFR Section 164.514(b),
 - b. Business Associate maintains the documentation required by 45 CFR Section 164.514(b), and
 - c. Business Associate gives written assurance to ADHS Covered Component that Business Associate appropriately maintains the documentation required by 45 CFR Section 164.514(b).

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C. **OBLIGATIONS OF BUSINESS ASSOCIATE REGARDING PHI IN ANY FORM.**

1. **Safeguards.** Business Associate shall use appropriate safeguards to prevent any Use or Disclosure of PHI not otherwise permitted in this Agreement.
2. **Reporting Impermissible Use or Disclosure.** Recipient shall promptly report to the designated individual specified in the Notice Provision number "G" of this agreement. Any Use or Disclosure of any PHI not permitted by this Agreement or the Privacy Standards ("Impermissible Use or Disclosure"), upon becoming aware of such Use or Disclosure. Recipient agrees to mitigate, to the extent practicable, any harmful effect from an Impermissible Use or Disclosure known to Recipient or its agents or subcontractors.
3. **Agents and Subcontractors.** Business Associate shall ensure that any agent or subcontractor to whom Business Associate provides PHI agrees to all the PHI-related restrictions and conditions that apply to Business Associate through this Agreement. Business Associate shall maintain an accounting of all disclosures of PHI to agents or subcontractors as provided in this Agreement.
4. **Personnel.** Business Associate shall appropriately inform all of its employees, agents, representatives, and members of its workforce ("Personnel"), whose services may be used to satisfy Business Associate's obligations under this Agreement and the Service Agreement(s), of the terms of this Agreement. Business Associate represents and warrants that the Personnel are under sufficient legal obligation to Business Associate for Business Associate to fully comply with the provisions of this Agreement.
5. **Access to PHI.** Within five (5) business days after a written request by ADHS Covered Component for access to PHI held by Business Associate in a Designated Record Set, Business Associate shall make the requested PHI available to ADHS Covered Component. If the requested PHI is stored off site, Business Associate shall make the PHI available to ADHS Covered Component within ten (10) business days, to allow ADHS Covered Component time to respond to a request for access by an Individual within 60 calendar days.

If an Individual requests access to PHI directly from Business Associate, Business Associate shall provide or deny access according to 45 CFR 164.524, unless otherwise directed by ADHS Covered Component. Business Associate shall notify ADHS Covered Component of the action taken in writing within five (5) business days after the action.

6. **Amendment of PHI.** Within five (5) business days after an Individual's request to ADHS Covered Component to amend the Individual's PHI held by Business Associate in a Designated Record Set, Business Associate shall provide the Individual's PHI to ADHS Covered Component for amendment. If ADHS Covered Component requests Business Associate to amend an Individual's PHI, Business Associate shall incorporate into the Individual's PHI the amendment, any statements of disagreement, and/or rebuttals within a reasonable time, as required by 45 CFR Section 164.526.

If an Individual requests amendment of PHI directly from Business Associate, Business Associate shall amend or deny amendment according to 45 CFR 164.526, unless otherwise directed by ADHS Covered Component. Business Associate shall notify ADHS Covered Component of the action taken in writing within five (5) business days after the action.

7. **Documentation of Disclosures.** Business Associate agrees to document all Disclosures of PHI made by Business Associate as required for ADHS Covered Component to respond to a request by an Individual for an accounting of Disclosures of PHI according to 45 CFR Section 164.528. At a minimum, the documentation related to Business Associate's Disclosure of PHI shall include:
 - a. The date of Disclosure;
 - b. The name of the PHI recipient and, if known, the address of the PHI recipient;
 - c. A brief description of the PHI disclosed; and
 - d. A brief statement of the purpose of the disclosure that reasonably informs the Individual of the basis for the Disclosure, or a copy of the Individual's authorization, or a copy of the written request for Disclosure.

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8. **Accounting of Disclosures.** Within ten (10) business days after notice by ADHS Covered Component to Business Associate that ADHS Covered Component has received a request for an accounting of Disclosures of an Individual's PHI, Business Associate shall provide ADHS Covered Component with the Disclosure records stated in the notice. Business Associate shall provide Disclosure records for the six years before the date on which the Individual requested the accounting, but not for a date earlier than April 14, 2003, unless otherwise Required by Law.

If an Individual requests an accounting of Disclosures directly from Business Associate, Business Associate shall, within sixty (60) business days, provide or deny an accounting according to 45 CFR 164.528, unless otherwise directed by ADHS Covered Component. Business Associate shall notify ADHS Covered Component of the action taken in writing within five (5) business days after the action. The accounting of Disclosures shall include all PHI Disclosures for the six years before the date on which the Individual requested the accounting, but not for a date earlier than April 14, 2003, unless otherwise Required by Law. If Business Associate is unable to provide the accounting of Disclosures within the allowed time, Business Associate shall provide ADHS Covered Component with a written statement of the reason for delay and the date Business Associate will provide the accounting.

9. **Governmental Access to Records.** For the purpose of determining ADHS Covered Component's compliance with the Privacy Standards, Business Associate shall make available to ADHS Covered Component or to the Secretary:

- a. Business Associate's internal practices, books, and records relating to the Use and Disclosure of PHI;
- b. Business Associate's policies and procedures relating to the Use and Disclosure of PHI; and
- c. All PHI received from ADHS Covered Component or created or received by Business Associate on behalf of ADHS Covered Component.

This provision does not constitute a waiver by ADHS Covered Component of any attorney-client privilege or other legal privilege.

10. **Transaction Standards Regulation.** If Business Associate conducts in whole or part Standard Transactions for or on behalf of ADHS Covered Component, Business Associate shall comply with the Electronic Data Transaction Standards and Code Sets, 45 CFR Part 162, Subparts I through R ("Transaction Standards and Code Sets"). Business Associate shall require any subcontractor or agent involved in conducting Standard Transactions for or on behalf of ADHS Covered Component, to comply with the Transaction Standards and Code Sets. Business Associate and its subcontractors or agents shall not enter into any agreement related to conducting in whole or in part Standard Transactions for or on behalf of ADHS Covered Component that:

- a. Changes the definition, Data Condition, or use of a Data Element or Segment in a Standard Transaction;
- b. Adds any Data Elements or Segments to the maximum defined Data Set;
- c. Uses any code or Data Element that is marked "not used" in the Standard Transaction's implementation specification or that is not in the Standard Transaction's implementation specification; or
- d. Changes the meaning or intent of the Standard Transaction's implementation specification.

D. **OBLIGATIONS OF BUSINESS ASSOCIATE REGARDING ePHI.**

- 1. **Safeguards.** Business Associate shall implement Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the Confidentiality, Integrity, and Availability of the ePHI that Business Associate creates, receives, maintains, or transmits on behalf of ADHS Covered Component.
- 2. **Agents and Subcontractors.** Business Associate shall ensure that any agent or subcontractor to whom Business Associate provides ePHI agrees to implement reasonable and appropriate safeguards to protect the Confidentiality, Integrity, and Availability of the ePHI.
- 3. **Report of Security Incident.** Business Associate shall promptly report to ADHS Covered Component any Security Incident of which Business Associate becomes aware that involves ePHI created, received, maintained, or

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transmitted by Business Associate.

4. **Governmental Access to Records.** Business Associate shall make its policies, procedures, and the documentation required by the Security Standards available to ADHS Covered Component and to the Secretary for purposes of determining ADHS Covered Component's compliance.
5. **Termination Authorized.** Business Associate agrees that ADHS Covered Component may terminate this Agreement if ADHS Covered Component determines that Business Associate has violated a material term of this Agreement related to the Security of ePHI.

E. **OBLIGATIONS OF ADHS COVERED COMPONENT.**

1. **Notice of Privacy Practices.** ADHS Covered Component shall notify Business Associate of any changes or limitation(s) in ADHS Covered Component's Notice of Privacy Practices according to 45 CFR Section 164.520, to the extent that such changes or limitation(s) may affect Business Associate's Use or Disclosure of PHI.
2. **Changes in Permission by Individual.** ADHS Covered Component shall notify Business Associate of any changes in, or revocation of, an Individual's permission to use or disclose PHI, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI.
3. **Restrictions on PHI.** ADHS Covered Component shall notify Business Associate of any restriction of PHI Uses and Disclosures that ADHS Covered Component has agreed to in accordance with 45 CFR Section 164.522, to the extent that such restriction may affect Business Associate's PHI Use or Disclosure.
4. **Permissible Requests by ADHS Covered Component.** ADHS Covered Component shall not request Business Associate to use or disclose PHI in any manner not permitted under the Privacy Standards if done by ADHS Covered Component.

F. **TERM AND TERMINATION**

1. **Term.** The term of this Agreement shall begin on the Effective Date and shall terminate when all PHI provided by ADHS Covered Component to Business Associate, or created or received by Business Associate on behalf of ADHS Covered Component, is destroyed or returned to ADHS Covered Component. If it is not feasible for Business Associate to return or destroy all PHI, the term of this Agreement shall terminate, except to the extent protections are extended to any PHI not returned or destroyed, according to the provisions in Section F(2)(c).
2. **Effect of Termination.**
 - a. Except as provided in paragraph (c) of this Subsection, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from ADHS Covered Component, or created or received by Business Associate on behalf of ADHS Covered Component.
 - b. This provision shall apply to PHI in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the returned or destroyed PHI.
 - c. If Business Associate determines that returning or destroying PHI is not feasible, Business Associate shall provide to ADHS Covered Component notification of the conditions making return or destruction not feasible. Business Associate shall extend the protections of this Agreement to the PHI and shall limit further Uses and Disclosures of the PHI to the purposes that make the return or destruction not feasible, for so long as Business Associate maintains the PHI. If it is not feasible for Business Associate to recover from a subcontractor or agent any PHI, Business Associate shall provide a written explanation to ADHS Covered Component. Business Associate shall require the subcontractor or agent to agree:
 - (1) To extend the protections of this Agreement to the PHI in the possession of the subcontractor or agent, and
 - (2) To limit any further Uses or Disclosures of the PHI to the purposes that make the return or destruction not feasible, for so long as the subcontractor or agent maintains the PHI.

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3. **Termination for Cause.** Upon ADHS Covered Component's knowledge of a material breach by Business Associate of the terms of this Agreement, ADHS Covered Component shall:
- a. Terminate this Agreement and the underlying Service Agreement(s) if Business Associate does not cure the breach or end the violation within the time specified by ADHS Covered Component;
 - b. Immediately terminate this Agreement and the underlying Service Agreement(s); or
 - c. Report the violation to the Secretary if:
 - (1) Termination is not feasible, and
 - (2) Business Associate does not cure the breach or end the violation within the time specified by ADHS Covered Component.

G. **NOTICES**

All notices or other communications by either party to the other hereunder shall be in writing and shall be deemed properly delivered (i) when received by the party; or (ii) three (3) days after deposit in the United States mail of such notice or communications to the parties entitled hereto, registered or certified mail, postage prepaid, to the parties at the following address (or to such other addresses as are designated in writing to all parties):

To:
Address:

Phone Number:

E-mail Address:

Copy to:
Address:

Phone Number:

E-mail Address:

To:
Address:

Phone Number:

E-mail Address:

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H. MISCELLANEOUS

1. **References.** A reference in this Agreement to HIPAA, the Privacy Standards, or the Security Standards means the law or regulation as in effect on the Effective Date or as subsequently amended, and for which compliance is required.
2. **Amendment.** The parties agree to take the action necessary to amend this Agreement from time to time so that ADHS Covered Component may comply with the requirements of HIPAA.
3. **Survival.** The obligations of Business Associate under this Agreement shall survive the termination of this Agreement and of the underlying Service Agreement(s) to the extent required by Section F(2)(c).
4. **Effect on Service Agreement(s).** Except as specifically required to implement the purposes of this Agreement, or to the extent not consistent with this Agreement, all provisions of the underlying Service Agreement(s) shall remain in force and effect.

<p>Contractor hereby acknowledges receipt and acceptance of this HIPAA Agreement and that a signed copy must be filed with the Procurement Office.</p> <p>_____ Signature Date</p> <p>_____ Authorized Signatory's Name and Title:</p> <p>_____ Contractor's Name</p>	<p>The above referenced HIPAA Agreement is hereby executed this _____ day of _____ 20____ by the Arizona Department of Health Services</p> <p>_____ Procurement Officer</p>
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